

TCRS Remains Financially Sound

The financial marketplace has been exhibiting a high degree of volatility for several months, mainly due to issues related to the mortgage industry. Several Tennessee Consolidated Retirement System (TCRS) members and retirees have expressed concern or raised questions about the outlook and impact on the TCRS.

Retirees and members have no risk of losing benefits as a result of investment market fluctuations. Unlike a 401(k), an IRA, or similar arrangement, TCRS benefits are defined by law and are not subject to change when the system experiences investment gains or losses. So, whether the financial markets go up or down, TCRS benefits remain unchanged.

Because TCRS pre-funds its pension obligations before members retire, the system is able to withstand volatility in the financial marketplace when it occurs. Remember, pensions are a long-term proposition.

The TCRS investment staff is closely monitoring the markets and actions by Congress. The portfolio is widely diversified with stock in 1,300 companies and 700 bond issues. While all pension systems have been negatively impacted by recent events in the economy, TCRS typically performs better than its peers during down markets.

While the financial markets have experienced large swings over the last few months, it’s helpful to remember that a retirement benefit provided by TCRS is not tied to those market results. Benefits are determined in accordance with Tennessee law.

Tax Time is Upon Us

TCRS retirees and beneficiaries who received benefits in 2008 will receive a 1099-R form with this newsletter. Generally, distributions from pensions and annuities are reported on Form 1099-R.

To help you with the preparation of your income tax returns, the sample below references important sections of your 1099-R form:

1 The total TCRS pension benefits you received for the calendar year.

2a The Taxable Portion of your benefit as calculated by TCRS. We use the simplified general rule to calculate this amount. If you retired before July 1, 1986, the amount of your after-tax contributions has already been excluded from your taxable income and your benefits are now fully taxable.

Disability benefits from TCRS are fully taxable until the benefit is converted to a regular retirement benefit at age 60 or death. After that point, the simplified general rule is used to determine the taxable portion of each payment.

4 The total amount of federal income tax withheld during the year. Forms to change or revoke your withholding election may be obtained by calling or writing TCRS, or on our website at www.treasury.state.tn.us/tcrs.

7 Code identifying the type of distribution being paid (i.e., retirement, disability, beneficiary. If you are a disability retiree, you may be eligible for a disability tax credit. (Refer to IRS Publication 524.)

There may be a slight change in your monthly benefit due to annual changes in the IRS tax tables. Additional tax information may be obtained by calling the IRS toll-free at 1-800-829-1040.

VOID		CORRECTED			
PAYER'S name, street address, city, state, and ZIP code		1 Gross distribution	OMB No. 1545-0119		Distribution From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
		\$	2008		
		2a Taxable amount	Form 1099-R		Copy 1 For State, City, or Local Tax Department
		\$ <input type="checkbox"/>	<input type="checkbox"/>		
		2b Taxable amount not determined		Total distribution	
PAYER'S federal identification number	RECIPIENT'S identification number	3 Capital gain (included in box 2a)	4 Federal income tax withheld		
		\$	\$		
RECIPIENT'S name		5 Employee contributions /Designated Roth contributions or insurance premiums	6 Net unrealized appreciation in employer's securities		
Street address (including apt. no.)		\$	\$		
City, state, and ZIP code		7 Distribution code(s)	IRA/ <input type="checkbox"/> SIMPLE	8 Other	
				\$ %	
		9a Your percentage of total distribution %	9b Total employee contributions \$		
	1st year of design. Roth contrib.	10 State tax withheld \$	11 State/Payer's state no.		12 State distribution \$
		\$			\$
Account number (see instructions)		13 Local tax withheld \$	14 Name of locality		15 Local distribution \$
		\$			\$
Form 1099-R		Department of the Treasury - Internal Revenue Service			

2009 DIRECT DEPOSIT PAYMENT SCHEDULE

January 30	April 30	July 31	October 30
February 27	May 29	August 31	November 30
March 31	June 30	September 30	December 31

Reporting the Death of a Retired Member

When contacting TCRS to report the death of a retired member or beneficiary, please have the following information:

- ☒ Name of member
- ☒ Social Security Number of member
- ☒ Date of death of member
- ☒ Contact person (the person TCRS can contact if we need additional information regarding the member)
- ☒ Address and telephone number of the contact person

CALLING TCRS

Your calls are extremely important to us. Our office hours are Monday through Friday, 8:00 a.m. - 4:30 p.m. Central time. You may find that 8:00 a.m. - 9:00 a.m. is the best time of day to call.



If Monday or Friday is a holiday, you might wait until Wednesday or Thursday to call. We typically receive our highest call volume at the end of the month, the first week of the month and immediately after a newsletter or other major communication.

TCRS has updated its automated system for your convenience. Our toll-free number remains 1-800-770-8277. If you call from Davidson or surrounding counties, you may reach the system locally by dialing 242-6554. When you call us, you have the following options:

Selection

Number	Service Area Desired
1	Retired Payroll, Refunds, and Account Balances
2	Retirement Insurance and the Flexible Benefits Program
3	Disability Retirement
4	Retirement Counseling and Beneficiary Changes
5	Benefits and Prior Service Questions
6	Death Benefits Area

If you call from a touch-tone phone, you do not have to listen to the menu. Press your selection after the automated attendant answers your call.

Returning to Work

Are you thinking about returning to work after retirement? Many retirees choose part-time jobs to supplement income, help out a former employer, or to keep their skills up to date. If you return to work with an employer covered by TCRS, please remember to complete the temporary employment form located on the TCRS website at www.treasury.state.tn.us/tcrs. As noted on the form, you are limited to 120 days of work within a 12-month period and salary limitations apply. Other limitations and exceptions exist. For further details, visit the TCRS website, contact your employer, or call TCRS. Unless you are retired on disability, there are no restrictions on employment with a private employer. If you have any questions concerning temporary employment, please contact the Member Services area at (615) 741-4868 or toll-free at (800) 770-8277, option 4.

Moving or Changing Banks

To prevent unauthorized changes to your personal information, TCRS requires any change of address and/or bank accounts to be in writing. Please include your social security number on all correspondence sent to TCRS. Alternatively, you may download a change of address form or direct deposit form at <http://treasury.state.tn.us/tcrs/f.htm>.

Interesting Facts

Here is a breakdown of TCRS retirees by country of residence as of June 30, 2008:

Africa	1	Japan	1
Australia	1	Kenya	1
Canada	8	Mexico	2
England	1	Overseas Military Bases	10
France	1	Poland	1
Germany	2	Romania	1
Greece	2	Saipan	2
Indonesia	1	Spain	1
Ireland	1	United States	102,266
Israel	1	US Virgin Islands	1
Italy	1	Total Retirees	102,306



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